

Message Text

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SUBJ: ALGERIAN GOVERNMENT CAMPAIGN AGAINST PRIVATE SECTOR SEPCU-
LATION

1. SUMMARY: THE RECENT NATIONALIZATION OF FOUR BAKERIES IN ALGIERS AND AN INTENSIVE PRESS CAMPAIGN AGAINST EXCESSIVE RETAIL FOOD PRICES INDICATE A RENEWED GOVERNMENT ATTACK AGAINST THE REMNANTS OF THE PRIVATE SECTOR. THE GOVERNMENT SEEMS TO BE USING PRIVATE RETAILERS AS A WHIPPING BOY TO DIVERT ATTENTION FROM THE GOVERNMENT'S OWN INEFFICIENCY IN DISTRIBUTION OF CONSUMER GOODS. END SUMMARY.

2. IN RECENT WEEKS THE ALGERIAN GOVERNMENT HAS CARRIED AN EXTENSIVE PUBLIC CAMPAIGN AGAINST RETAIL FOOD SHOPS AND OTHER REMNANTS OF THE PRIVATE SECTOR. THE MOST PUBLICIZED STEPS WERE THE AUGUST 23 NATIONALIZATION OF FOUR MEDIUM-SIZED BAKERIES IN ALGIERS, ON THE GROUNDS THAT THE SHOPS WERE CHARGING FAR HIGHER PRICES THAN THE OFFICIAL RATE IN ORDER TO TAKE ADVANTAGE OF FOOD SHORTAGES IN RAMADAN

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THE GOVERNMENT FOOD DISTRIBUTION COMPNAY (SNNGA) ROLLED BACK BREAD PRICES BY AS MUCH AS 50 PERCENT AFTER TAKING OVER THE STORES.

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3. THE GOVERNMENT HAS ALSO CONDUCTED A CAMPAIGN AGAINST GROCERY AND BUTCHER SHOPS. THE OFFICIAL DAILY "EL MAUDJAHID" HAS PUBLISHED THE NAMES OF HUNDREDS OF SMALL RETAILERS WHO ALLEGEDLY SOLD FRUITS AND VEGETABLES DURING RAMADAN AT FAR MORE THAN THE FIXED OFFICIAL RATE. SEVERAL BUTCHERS WERE ARRESTED FOR SELLING GOAT MEAT OBTAINED FROM ILLEGAL ABBATOIR, AND THE GOVERNMENT HAS CONFISCATED SOME SMALL GROCERY STORES.

4. NOT ONLY FOOD RETAILERS BUT PRIVATE CONTRACTORS HAVE BEEN SUBJECTED TO PUBLIC CRITICISM. THE GOVERNMENT STOPPED THE ILLEGAL CONSTRUCTION OF FOUR VILLAS AND A SHOP AT SAOULA ON LAND ILLEGALLY OBTAINED BY SEVERAL CONTRACTORS. THE CONTRACTORS WERE ACCUSED OF ILLEGALLY PURCHASING CEMENT FROM EUROPE, USING CONVERTIBLE FOREIGN CURRENCY, AND OF DIVERTING BUILDING MATERIALS FROM PUBLIC HOUSING PROJECTS. "EL MOUDJAHID" REMARKED THAT THE CONTRACTORS HAD MADE FORTUNES FROM SPECULATING IN CONSTRUCTION MATERIALS, LAND, AND THE RENTING OF HOUSING TO FOREIGNERS.

5. COMMENT: THE ALGERIAN GOVERNMENT SEEMS TO BE USING THE PRIVATE SECTOR AS A WHIPPING BOY TO DIVERT PUBLIC ATTENTION FROM THE GOVERNMENT'S OWN PROBLEMS IN DISTRIBUTING FOOD AND OTHER CONSUMER GOODS. THE SORRY INEFFICIENCY OF THE NATIONAL FOOD DISTRIBUTORS IS PERHAPS THE BIGGEST REASON FOR EXORBITANT PRICES AND ARTIFICIAL SCARCITIES DURING RAMADAN. THE GOVERNMENT IS UNDERSTANDABLY DEFENSIVE ABOUT DISTRIBUTION OF CONSUMER GOODS GENERALLY AND HAS SOUGHT TO PORTRAY THE PRIVATE SECTOR SHOPS AS SELLING LUXURIES RATHER THAN NECES-SITIES, FOR EXAMPLE, GOVERNMENT NEWSPAPERS HAVE CONTRASTED THE VERY HIGH PRICES CHARGED BY BLACK MAKETEERS IN CONSTANTINE FOR EXPENSIVE, IMPORTED CLOTHES AND PERFUME WITH THE REASONABLY PRICED CLOTHING PROVIDED BY THE STATE TEXTILE COMPANY SONITEX.

6. THE GOVERNMENT ALSO SEEMS GENUINELY WORRIED BY THE EXISTENCE OF ENTREPRENEURS WHO FILL FRUSTRATED CONSUMER DEMAND BY EVADING VOG-LIMITED OFFICIAL USE

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ERNMENT REGULATIONS, SUCH ENTREPRENEURS ARE A NATURAL REACTION TO THE GOVERNMENT'S RELATIVE NEGLECT OF CONSUMER GOODS AND THE RIGIDITY AND INEFFICIENCY OF ALGERIAN SOCIALISM. EVEN AS THEY CONTINUE TO POINT OUT THAT THE GOVERNMENT HAS NO DESIRE TO HARM THE HONEST SMALL MERCHANT WHO PLAYS BY THE RULES, THE ALGERIAN AUTHORITIES WILL DO THEIR BEST TO DISCOURAGE BACKSLIDING FROM SOCIALIST PURITY. END COMMENT. HAYNES

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